

## **Section 30 - Contents**

### **DISPOSAL OF SURPLUS PROPERTY**

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# **SECTION 30**

## **DISPOSAL OF SURPLUS PROPERTY**

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### **Sub-Section 30.100 - Disposal Methods**

CSB property, which is no longer needed, may be disposed of in accordance with the methods indicated below:

#### **Subject 30.110 - Trade-in**

Property may be traded in on other similar equipment; i.e., office equipment traded on other office equipment and scientific equipment traded on other scientific equipment.

If the estimated value of the new equipment being purchased (without the trade-in) exceeds the amount for which competitive quotations must be solicited:

- The procurement must be competed.
- Both the item to be purchased and the item to be traded in are listed separately on the solicitation.
- The low bidder is determined by subtracting the price offered on the trade in from the price of the new equipment.

#### **Subject 30.120 - Sales to other governmental agencies**

Sales of surplus property may be made to other governmental agencies (other CSBs, counties, public authorities, etc.) at a fair market price.

### **Subject 30.130 - Public Auctions**

A public auction may be held to dispose of surplus property. Auction notices should be placed in area papers and the services of an auctioneer obtained.

### **Subject 30.140 - Sales by Sealed Bid**

Property may be sold on sealed bid (Invitation for Bids). This procedure is handled similar to the purchase of goods except, of course, that the award is made to the highest bidder.

### **Subject 30.150 - Negotiated Sale**

If competitive methods (public auctions or sealed bid) have been attempted with no success and no other public agency desires the property, it may be sold at a negotiated price.

### **Subject 30.160 - Set Price**

If other methods are not practicable, surplus property may be priced at a fair market value and offered for sale to the public on a first come, first served basis. The time and place of these sales should be advertised so that the public is aware of the sale.

### **Subject 30.170 - Donations**

Property that has not been sold after attempting one or more of the previously-mentioned methods, may be donated to a worthy organization. Also, it may be practical to donate property of rare or historical value to a worthy organization.

### **Subject 30.180 - Destruction or Abandonment**

Property which is unusable and determined to have no commercial value, or that the cost of sale would exceed the expected returns, may be destroyed or abandoned. Documentation should be made of this property and signed by the person who destroyed the property as well as by the Executive Director.

## **Sub-Section 30.200 - Documentation**

As with other procurement related actions, actions taken to dispose of surplus property must be fully documented to indicate the why, who, what, when, where and how of the transaction.

## **Sub-Section 30.300 - Approval**

Federally funded acquisitions often carry stipulations regarding disposal. These stipulations are noted in the original grant agreement and should be reviewed prior to disposing of equipment that was originally purchased with federal funds. Guidance regarding this subject is also provided in the DMHMRSAS manual on Financial Management Standards and Accounting Procedures for Community Services Boards.